

Unemployment taxes reduced for most employers

The state Legislature has passed Gov. Gregoire's tax-rate reduction proposal, which lowers tax rates for most employers in Washington beginning this year. Tax rates for 2011 will be reduced for 90 percent of Washington employers, and about half of them will pay lower rates than in 2010.

The reduction will save employers \$300 million in 2011 and an additional \$226 million in 2012 and 2013.

Employment Security will recalculate tax rates and send new tax-rate notices in March to replace the ones sent to employers in December. Employers do not have to request an updated tax-rate notice; all employers will receive one in the mail.

Going into 2011, unemployment tax rates were projected to increase by an average of 36 percent due to widespread layoffs during the recession. Even employers with few or no layoffs faced high increases because the shared (social) costs of the insurance system had increased substantially.

Still, Washington's unemployment trust fund has remained among the healthiest in the country. This provided a unique opportunity to provide tax relief to employers without jeopardizing the benefits fund.

For 2011, rates are being reduced for rate classes 1 through 34. Rate classes 35 and above will not be reduced because they are already at the capped rate.

Less paper equals more cash for employers

Electronic tax filing is saving thousands of dollars for employers and the Employment Security Department.

Since 2008, the number of paper filers has been cut in half as more employers move to e-filing. About 15 percent of employers, or about 30,000, still file the old-fashioned way – by paper.

Because e-filing prevents many reporting errors, penalties for errors are down more than 20 percent from two years ago. Employment Security also benefits, as e-filers saved us an estimated \$650,000 dollars in printing and postage costs in 2010.

Employment Security's most-commonly used electronic filing program allows our tax specialists to log in and help employers fill out their tax forms, helps employers avoid filing errors and maintains historical filing information so it doesn't have to be re-entered every quarter.

Of those businesses still filing by paper, about 94 percent are small businesses with 10 or fewer employees. The construction industry has the highest number of employers still filing by paper -- more than 5,000 construction companies, or about 17 percent of the industry.

Employers that want to make the switch can find more information online at www.esd.wa.gov. Type "electronic filing" in the search box.

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Did You Know? Business Update archives available online

You can view past editions of the Business Update newsletter on our website. Go to www.esd.wa.gov/bizupdate, then click on "Archives" at the bottom of the page.

UIFastTax warning

Some Windows 7 and Vista users are experiencing problems when prompted to upgrade to the current version of UIFastTax. For technical assistance, please go to www.esd.wa.gov and type in the search box "Windows 7 and Vista Instructions." If you need further assistance with this issue, please contact UIFT Support at 800-565-4660 or UIFTsupport@esd.wa.gov

Sign up for e-mail updates

You can sign up for e-mail updates related to various unemployment insurance topics to keep yourself informed. Go to esd.wa.gov/employer-info and select "Sign up for e-mail updates."

Technical support for Internet tax filers

Phone – 800-565-4660
E-mail – UIFTsupport@esd.wa.gov

Order tax forms

Phone – 360-902-0916
E-mail – taxforms@esd.wa.gov

Benefits information

For questions related to specific benefit claims, call 877-504-5607.

New online tool launched for public works contracts

We've launched a new online tool for construction contractors who want to bid on public-works projects.

Contractors who need a "certificate of coverage" for bidding purposes can fill out a simple form on our website and receive the certificate via mail or e-mail. (State law requires contractors to have an account with Employment Security in order to qualify to bid for public works contracts.)

The online form requires the employer's Employment Security reference number, federal identification number, unified business identifier and an e-mail address.

To get to the form, go to www.esd.wa.gov/uitax, click on "Public-works projects," then click on the "Bid Letter" link.

Struggling to pay your taxes? Consider a payment contract

If you're struggling to stay current on your unemployment-insurance tax payments, we may be able to enter into a payment contract with you.

Deferred-payment contracts allow you to maintain your assigned tax rate, rather than a higher rate; permit you to make monthly payments to pay off your balance; and prevent us from taking some legal actions.

As another alternative, some employers with cash-flow problems have found it is easier to make their tax payments if they send us payments monthly in advance, rather than quarterly. This is commonly known as a pay-as-you-go system and does not require a deferred-payment contract. If you're interested or want to know more, please call your local district tax office.

UIFastTax alert

In 2010, Employment Security made changes to UIFastTax, which required all filers to update to version 3.1.83. If you are using an outdated version of UIFastTax, your submission will not be processed by Employment Security.

If you need to update your version of UIFastTax, choose "UIFastTax Auto Update" under the "File" menu or go to www.esd.wa.gov and type "auto update" in the search box.

Training/workshop schedule

Attend a local workshop to learn more about unemployment taxes and state services, such as tax requirements for various types of businesses, how to report and pay state taxes properly, requirements for reporting new employees and the services that are available through WorkSource.

Date	Topic	City	Contact
3/23/2011	New-employer outreach	Vancouver	360-735-5050
3/25/2011	Contractor training day (L&I)	Bellingham	360-902-4733
4/8/2011	Business tax workshop	Spokane	509-532-3133
4/13/2011	e-filing tax workshop, 4- 5 p.m.	Vancouver	360-735-5050
4/13/2011	e-filing tax workshop, 6- 7 p.m.	Vancouver	360-735-5050
4/14/2011	Business tax workshop	Everett	425-774-2382
4/14/2011	e-filing tax workshop, 2- 4 p.m.	Yakima	509-574-0137
4/20/2011	Business tax workshop	Renton	425-649-4467

The Employment Security Department is an equal-opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Auxiliary aids may include qualified interpreters and telecommunication devices (TTY) for hearing or speech-impaired individuals. Individuals with limited English proficiency may request interpretive services free of charge in order to conduct business with the department.

Contact us

District tax offices

Staff at your local office can answer most of your tax questions, including specific questions about your account.

For addresses and e-mail information, visit

www.esd.wa.gov/tax-offices

Bellevue	425-649-4388
Bellingham	360-676-2070
Lynnwood	425-774-2380
Seattle North	206-706-3801
South Sound	253-593-7380
Spokane	509-532-3090
Tri-Cities	509-735-0939
Vancouver	360-735-5050
Wenatchee	509-662-0448
Yakima	509-574-0137
Tribes	360-902-9780
Out-of-state	509-574-0179

Report fraud

Let us know if you suspect that a business is not paying its unemployment taxes properly or if a worker is collecting benefits he or she is not entitled to.

Employer and claimant fraud hot-line: 866-266-1987

E-mail for employer fraud – undergroundeconomy@esd.wa.gov

Visit us online at
www.esd.wa.gov

WorkSource

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www.go2worksource.com